
FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D.C. 20426



NEWS RELEASE

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FOR IMMEDIATE RELEASE

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Docket Nos. EC99-53-000 and
ER99-2647-000

COMMISSION APPROVES FIRSTENERGY'S CORPORATE RESTRUCTURING

The Federal Energy Regulatory Commission today approved the FirstEnergy Operating Companies' intra-corporate transfer of transmission facilities from FirstEnergy to a newly-formed affiliate--American Transmission Systems, Inc. (ATSI). FirstEnergy states that its goal is to position its transmission assets for divestiture to a regional transmission organization (RTO).

FirstEnergy commits that ATSI will make a filing with the Commission within two years, transferring ownership or control of its transmission facilities to an RTO or divesting its transmission facilities to an unaffiliated entity. It has already promised to join an ISO as a condition of the merger approval that created the company.

Under its 1996 Merger Policy Guidelines, the Commission focused its review of the proposed transmission facilities transfer on three key areas--the effect on competition, rates and regulation. The Commission found that the transfer of FirstEnergy's assets would be in the public interest. Nevertheless, it does not discharge its earlier commitments with respect to regional grid institutions.

In a companion order, the Commission accepted ATSI's Joint Dispatch Agreement, which will set the policies under which ATSI will coordinate the system's resources. The Commission ordered a hearing on ATSI's proposed adoption of FirstEnergy's open access rates and consolidated the hearing with an ongoing FirstEnergy proceeding (Docket No. ER99-2069-000, et al.).

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The FirstEnergy Operating Companies--Cleveland Electric Illuminating Company, Ohio Edison Company, Pennsylvania Power Company, and Toledo Edison Company--serve customers in Ohio and Pennsylvania.

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